

House File 619 - Introduced

HOUSE FILE 619

BY JACOBSEN and BACON

A BILL FOR

1 An Act relating to the extraordinary homestead property tax
2 credit and reimbursement for rent constituting property
3 taxes paid for certain elderly claimants and including
4 effective date and applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.1, subsection 1, paragraph a, Code
2 2021, is amended to read as follows:

3 a. A homestead credit fund is created. There is
4 appropriated annually from the general fund of the state to
5 the department of revenue to be credited to the homestead
6 credit fund, an amount sufficient to implement this ~~chapter~~
7 subchapter.

8 Sec. 2. Section 425.17, subsection 2, paragraph a,
9 subparagraph (1), Code 2021, is amended to read as follows:

10 (1) (a) A person filing a claim for credit or reimbursement
11 under this subchapter who has attained the age of sixty-five
12 years on or before December 31 of the base year ~~or who is~~
13 ~~totally disabled and was totally disabled on or before December~~
14 ~~31 of the base year~~ and is domiciled in this state at the time
15 the claim is filed or at the time of the person's death in the
16 case of a claim filed by the executor or administrator of the
17 claimant's estate.

18 (b) A person filing a claim for credit or reimbursement
19 under this subchapter who is totally disabled and was totally
20 disabled on or before December 31 of the base year and is
21 domiciled in this state at the time the claim is filed or at the
22 time of the person's death in the case of a claim filed by the
23 executor or administrator of the claimant's estate.

24 Sec. 3. Section 425.23, subsection 1, paragraph a,
25 unnumbered paragraph 1, Code 2021, is amended to read as
26 follows:

27 The tentative credit or reimbursement for a claimant
28 described in section 425.17, subsection 2, paragraph "a",
29 ~~subparagraphs subparagraph (1) and (2), if no appropriation~~
30 ~~is made to the fund created in section 425.40, subparagraph~~
31 division (b), shall be determined in accordance with the
32 following schedule:

33	Percent of property taxes
34	due or rent constituting
35	property taxes paid

1 If the household allowed as a credit or
2 income is: reimbursement:

3 \$ 0 — 8,499.99 100%
4 8,500 — 9,499.99 85
5 9,500 — 10,499.99 70
6 10,500 — 12,499.99 50
7 12,500 — 14,499.99 35
8 14,500 — 16,499.99 25

9 Sec. 4. Section 425.23, subsection 1, Code 2021, is amended
10 by adding the following new paragraph:

11 NEW PARAGRAPH. c. The tentative credit or reimbursement for
12 a claimant described in section 425.17, subsection 2, paragraph
13 "a", subparagraph (1), subparagraph division (a), shall be one
14 hundred percent of the property taxes due or rent constituting
15 property taxes paid.

16 Sec. 5. Section 425.23, subsection 3, paragraph a, Code
17 2021, is amended to read as follows:

18 a. A person who is eligible to file a claim for credit for
19 property taxes due and who has a household income of eight
20 thousand five hundred dollars or less or is a claimant as
21 described in section 425.17, subsection 2, paragraph "a",
22 subparagraph (1), subparagraph division (a), and who has an
23 unpaid special assessment levied against the homestead may
24 file a claim for a special assessment credit with the county
25 treasurer. The department shall provide to the respective
26 treasurers the forms necessary for the administration of this
27 subsection. The claim shall be filed not later than September
28 30 of each year. Upon the filing of the claim, interest for
29 late payment shall not accrue against the amount of the unpaid
30 special assessment due and payable. The claim filed by the
31 claimant constitutes a claim for credit of an amount equal
32 to the actual amount due upon the unpaid special assessment,
33 plus interest, payable during the fiscal year for which the
34 claim is filed against the homestead of the claimant. However,
35 where the claimant is an individual described in section

1 425.17, subsection 2, paragraph "a", subparagraph (2), and
 2 the tentative credit is determined according to the schedule
 3 in subsection 1, paragraph "b", subparagraph (2), of this
 4 section, the claim filed constitutes a claim for credit of an
 5 amount equal to one-half of the actual amount due and payable
 6 during the fiscal year. The treasurer shall certify to the
 7 director of revenue not later than October 15 of each year the
 8 total amount of dollars due for claims allowed. The amount
 9 of reimbursement due each county shall be certified by the
 10 director of revenue and paid by the director of the department
 11 of administrative services by November 15 of each year, drawn
 12 upon warrants payable to the respective treasurer. There is
 13 appropriated annually from the general fund of the state to the
 14 department of revenue an amount sufficient to carry out the
 15 provisions of this subsection. The treasurer shall credit any
 16 moneys received from the department against the amount of the
 17 unpaid special assessment due and payable on the homestead of
 18 the claimant.

19 Sec. 6. Section 425.24, Code 2021, is amended to read as
 20 follows:

21 **425.24 Maximum property tax for purpose of credit or**
 22 **reimbursement.**

23 1. In any case in which property taxes due or rent
 24 constituting property taxes paid for any household exceeds one
 25 thousand dollars, the amount of property taxes due or rent
 26 constituting property taxes paid shall be deemed to have been
 27 one thousand dollars for purposes of this subchapter.

28 2. Subsection 1 shall not apply to the household of
 29 a claimant as described in section 425.17, subsection 2,
 30 paragraph "a", subparagraph (1), subparagraph division (a).

31 Sec. 7. Section 425.26, subsection 1, paragraph f, Code
 32 2021, is amended to read as follows:

33 f. Household income, if required to support the claim.

34 Sec. 8. Section 425.40, subsection 2, Code 2021, is amended
 35 to read as follows:

2. If the amount appropriated for purposes of this section for a fiscal year is insufficient to pay all claims in full for claimants described in section 425.17, subsection 2, paragraph "a", subparagraph (2), the director shall pay, in full, all claims to be paid during the fiscal year for reimbursement of rent constituting property taxes paid or if moneys are insufficient to pay all such claims on a pro rata basis. If the amount of claims for credit for property taxes due to be paid during the fiscal year exceed the amount remaining after payment to renters, the director of revenue shall prorate the payments to the counties for the property tax credit. In order for the director to carry out the requirements of this subsection, notwithstanding any provision to the contrary in this subchapter, claims for reimbursement for rent constituting property taxes paid filed before May 1 of the fiscal year shall be eligible to be paid in full during the fiscal year and those claims filed on or after May 1 of the fiscal year shall be eligible to be paid during the following fiscal year and the director is not required to make payments to counties for the property tax credit before June 15 of the fiscal year.

21 Sec. 9. EFFECTIVE DATE. This Act, being deemed of immediate
22 importance, takes effect upon enactment.

23 Sec. 10. APPLICABILITY. This Act applies to property taxes
24 due and payable in fiscal years beginning on or after July 1,
25 2021.

EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 Current Code chapter 425, subchapter II, provides an
30 extraordinary property tax credit or rent reimbursement
31 for certain elderly and disabled persons in addition to the
32 homestead property tax credit. The amount of the property tax
33 credit or rent reimbursement is determined in accordance with a
34 schedule, adjusted for inflation, based on the income of the
35 claimant, ranging from a credit or rent reimbursement of 25

1 percent of property taxes due or rent constituting property
2 taxes paid up to 100 percent for those in the lowest income
3 bracket.

4 This bill modifies the credit amount for a claimant who has
5 attained the age of 65 to be 100 percent of the property taxes
6 due or rent constituting property taxes paid regardless of
7 income and by removing the \$1,000 credit or rent reimbursement
8 limit for those claimants.

9 The bill also makes corresponding changes to other
10 provisions of Code chapter 425.

11 The bill takes effect upon enactment and applies to property
12 taxes due and payable in fiscal years beginning on or after
13 July 1, 2021.